

CITY OF ROSSVILLE, KANSAS

**Financial Statements for the
Year Ended December 31, 2014
And Independent Auditors' Report**

CITY OF ROSSVILLE, KANSAS

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Stephen M. Connelly, CPA, PC

PO Box 25528

Kansas City, MO 64119

816.718.9977

www.stephenmconnellycpa.com

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and City Council
City of Rossville, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Rossville, Kansas (City), as of and for the year ended December 31, 2014 and the notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide (KMAAG) described in Note 1 in order to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and KMAAG. Those standards and the guide require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As describe in Note 1 of the financial statement, the financial statement is prepared by the City of Rossville, Kansas (City) to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the KMAAG, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Rossville, Kansas as of December 31, 2014, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Rossville, Kansas as of December 31, 2014, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the KMAAG described in Note 1.

Report on Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances as a whole. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures – actual and budget, schedule of regulatory basis receipts and expenditures-agency funds are presented for purposes of additional analysis and are not a required part of the financial statement, however are required to be presented under the provisions of the KMAAG. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole, on the basis of accounting described in Note 1.

Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The "Other Information" on page 31 is presented for purposes of additional analysis and is not a required part of the financial statement. Such information has not been subjected to the auditing procedures applied in the audit of the financial statement and, therefore, we express no opinion on it.



March 24, 2015

CITY OF ROSSVILLE

STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH YEAR ENDED DECEMBER 31, 2014

	Beginning Cash Balance	Cash Receipts	Expenditures	Ending Cash Balance
General Fund	\$ 163,803	\$ 606,496	\$ 624,189	\$ 146,110
Special Revenue Funds:				
Special Highway Fund	9,477	53,388	48,730	14,135
Special Street Improvement Fund	14,337	70,000	68,257	16,080
Special Lighting Fund	4	3,109	3,000	113
Special Park & Recreation Fund	8,834	40,712	47,911	1,635
Special Law Enforcement Trust Fund	88,841	34,046	5,172	117,715
Enterprise Funds:				
Water Fund	40,446	209,150	197,393	52,204
Water Reserve Fund	52,307		31,030	21,277
Meter Deposits	15,200	3,675	4,515	14,360
Sewer Fund	31,685	146,979	153,689	24,975
Solid Waste Fund	8,670	79,998	77,232	11,436
Capital Project Funds:				
Equipment Reserve Fund	2,352	7,885	1,953	8,283
Capital Improvement Fund	(56,319)	210,000	162,433	(8,752)
Special Project Fund	-	-	-	-
Debt Service Funds:				
Bond & Interest Fund	<u>1,006,979</u>		<u>1,006,979</u>	<u>-</u>
Total Reporting Entity	\$ <u>1,386,615</u>	\$ 1,465,438	\$ 2,432,483	\$ <u>419,573</u>
Less Transfers		<u>96,000</u>	<u>96,000</u>	
Actual Receipts and Disbursements		\$ <u>1,369,438</u>	\$ <u>2,336,483</u>	
COMPOSITION OF CASH:				
Certificates of deposit				\$ 183,177
Money market accounts				130,229
Operating bank account				77,336
Recreation account				4,926
Development committee accounts				23,735
Petty cash				170
				\$ <u>419,573</u>

CITY OF ROSSVILLE, KANSAS

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Basis of Presentation - Fund Accounting - The accounts of the City of Rossville, Kansas are organized on the basis of funds, each of which is considered a separate accounting entity. The financial statements includes accounts related to its legally separate component unit, the Rossville Public Building Commission.

The following types of funds comprise the financial activities of the City for 2014.

Governmental funds:

General fund - to account for all unrestricted resources except those required to be accounted for in other funds or account groups.

Special revenue funds - to account for the proceeds of specific revenue sources or to finance specified activities as required by law or administrative regulation.

Capital project funds - to account for major capital expenditures not financed by other funds.

Debt service funds - to account for the payment of interest and principal on long-term general debt obligation.

Proprietary funds:

Enterprise funds - to account for operations that are financed and operated in a manner similar to business enterprises, where the stated intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

- b. Basis of Accounting - These financial statements are presented on a basis of accounting, which demonstrates compliance with the cash basis and budget laws of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund from which the cash is transferred. Expenditures include disbursements and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract.

The municipality has obtained a GAAP waiver from the State of Kansas, which thereby requires this type of special reporting.

- c. Departure from Generally Accepted Accounting Principles - The basis of accounting described above results in a financial statement presentation, which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown non-cash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end did not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General fixed assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.
- d. Budgetary Information - Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:
1. Preparation of the budget for the succeeding calendar year on or before August 1.
 2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5.
 3. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.
 4. Adoption of the final budget on or before August 25.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. A budget amendment was passed for the year ended December 31, 2014.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the cash basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital project funds.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

2. DEPOSITS

At year-end the carrying amount of the City's deposits was \$419,573 and the bank balance was \$431,166. The difference between the carrying amount and the balance are outstanding checks and deposits in transit. At December 31, 2014, the City's deposits were covered by federal depository insurance or by collateral held by the City's agent in the City's name.

Operating Account:

US Bank - Checking Account	\$ 77,336
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Money Market Account:

US Bank - Money Market Account	130,229
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Certificates of Deposit:

Rossville State Bank	43,670
Rossville State Bank	21,277
Rossville State Bank	80,000
US Bank	38,230
	<hr/>
	183,177

Community Development:

Rossville State Bank	7,149
Rossville State Bank	16,586
	<hr/>
	23,734

Recreation Association:

US Bank	4,926
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Petty Cash

	<hr/>
	170
	<hr/>
	\$ 419,573
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The state of Kansas under K.S.A. 12-1675 limits the investments of a City's idle funds, as a result, the above deposits are considered low risk. The differences between the carrying amount and the bank balances are outstanding checks and deposits in transit. K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The bank balance is covered by FDIC insurance and collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the City's name.

3. TAXES

Property Taxes – The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county.

In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the following year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. One-half of the property taxes are due December 20, prior to the fiscal year for which they are budgeted, and second half is due the following May 10.

Motor Vehicle Taxes – Since 1981 most motor vehicles became subject to a special tax paid at the time of registration instead of the traditional property tax. In 1995, the legislature enacted a five-year phase down in the assessment rate on motor vehicles for 30% to 20% of market value.

In 2014, the City received the following from county and state taxes:

	General Fund	Special Highway Fund	Special Park and Recreation Fund	Special Lighting	Total
Property Taxes	\$ 204,274	\$	\$	\$ 2,833	\$ 207,108
Motor Vehicle Taxes	32,604			275	32,880
Assessments	0	22,964			22,964
Sales Taxes	190,406				190,406
Local Alcohol	3,836		3,836		7,673
State Highway Aid		29,635			29,635
	<u>\$ 431,121</u>	<u>\$ 52,599</u>	<u>\$ 3,836</u>	<u>\$ 3,109</u>	<u>\$ 490,665</u>

The mill levies for 2014 and 2013 are as follows:

	2014	2013
General Fund	29.356	27.955
Special Lighting	<u>0.384</u>	<u>0.368</u>
Total	<u>29.740</u>	<u>28.323</u>

The assessed valuation for 2014 and 2013 was \$6,841,730 and \$6,787,586, respectively.

4. UTILITIES

The City provides water, sewer, and solid waste services. The City reads the meters between the 5th and the 10th of each month and mails their utility bills on the 18th to 20th day of each month for the previous month's service. The utility bills are due by the 5th day of the following month. Payments received after the 5th are subject to a late charge of 10.0% on the current month's activity.

Amounts due to the City for utility services as of December 31, 2013 was \$38,572 and the amount due to customers for utility deposits as of December 31, 2013 was \$12,883.

Utility Rates as of December 31, 2013 are as follows:

Water Rates:

Residential:

Minimum charge	\$25.00 includes 2,000 gallons
Next 20,000 gallons	\$1.50 per 1,000 gallons
Excess of 20,000 gallons	\$2.00 per 1,000 gallons

Commercial:

Commercial customers will be charged based on the gallons used from the preceding calendar year. Based on such purchases, commercial customers will be charged during each of the ensuing 12 months a monthly base rate with the majority of customers falling into these usage ranges:

Less than 10,000 gallons	\$30.00
10,00 to 29,999 gallons	\$30.00
30,000 to 89,999 gallons	\$35.00
90,000 to 189,999 gallons	\$40.00
190,000 to 229,999 gallons	\$45.00
230,000 to 249,999 gallons	\$50.00
250,000 to 289,999 gallons	\$100.00

Sewer Charges:

Commercial & Residential	\$18.00 Minimum includes 2,000 gallons
Excess of 2,000	\$2.00 Per 1,000 gallons rounded up to the next 1,000 gallons

Residentials are charged up to 18,000 gallons

Trash

\$17.00 Monthly Charge

5. LONG TERM DEBT

The City's long-term debt is comprised of the following:

GO Bonds, Series 2014, bearing interest of 4.00% through maturity in 2034 (A)	200,000
GO Bonds, Series 2012, bearing interest of 3.50% through maturity in 2022 (B)	107,000
Kansas Water Pollution Control Revolving Fund, bearing interest of 2.69% through maturity in 2028 (C)	299,828
Revenue Refunding Bonds, Series 2012, bearing interest of 3.5% through maturity in January 2023. (D)	<u>1,055,000</u>
	<u>\$ 2,534,820</u>

(A) On October 1, 2014, the City issued general obligation bonds in the amount of \$200,000 to finance certain transportation system improvements. The bonds mature from April 2015 to October 2034 at the stated interest rate of 4.0%.

(B) On April 15, 2012, the City issued general obligation bonds in the amount of \$129,000 to finance certain transportation system improvements. The bonds mature from April 2013 to April 2022 at the stated interest rate of 3.5%. Total interest paid on these bonds in 2014 was \$3,938.

(C) On February 20, 2003, the City issued a note with Kansas Department of Health and Environment in the amount of \$600,000. The purpose of the note was to finance the construction of a new primary cell to the existing lagoon, and new piping and discharge structure. On September 1, 2004, The City began making semi-annual principal and interest payments of \$19,947. Total interest paid on this note in 2014 was \$9,412.

(D) In 2006, the City established the City of Rossville, Kansas Public Building Commission (PBC) for the primary purpose of building a swimming pool. The PBC issued Revenue Refunding Bonds, Series 2012 in the amount of \$1,090,000 to refinance the original debt. The proceeds of these bonds are held in escrow until 2014 when the remaining 2006 bonds are paid off. The PBC will make annual principal, and semi-annual interest payments at rates ranging from 2.0% to 2.375%. Total interest paid on these bonds in 2014 was \$22,156.

Maturities of long-term debt for years subsequent to December 31, 2014 are as follows:

GO Bonds, Series 2014

2015	\$	7,000	\$	8,000	\$	15,000
2016		7,000		7,720		14,720
2017		7,000		7,440		14,440
2018		7,000		7,160		14,160
2019		8,000		6,880		14,880
2020		8,000		6,560		14,560
2021		8,000		6,240		14,240
2022		9,000		5,920		14,920
2023		9,000		5,560		14,560
2024		10,000		5,200		15,200
2025		10,000		4,800		14,800
2026		10,000		4,400		14,400
2027		11,000		4,000		15,000
2028		11,000		3,560		14,560
2029		12,000		3,120		15,120
2030		12,000		2,640		14,640
2031		13,000		2,160		15,160
2032		13,000		1,640		14,640
2033		14,000		1,120		15,120
2034		14,000		560		14,560
	\$	<u>200,000</u>	\$	<u>94,680</u>	\$	<u>294,680</u>

GO Bonds, Series 2012

2015	\$	12,000	\$	3,538	\$	15,538
2016		12,000		3,115		15,115
2017		13,000		2,678		15,678
2018		13,000		2,223		15,223
2019		14,000		1,750		15,750
2020		14,000		1,260		15,260
2021		14,000		770		14,770
2022		15,000		263		15,263
	\$	<u>107,000</u>	\$	<u>15,596</u>	\$	<u>122,596</u>

Kansas Water Pollution Control Revolving Loan Fund

	Principal	Interest	Total
2015	\$ 30,456	\$ 9,438	\$ 39,894
2016	31,357	8,537	39,894
2017	32,286	7,608	39,894
2018	33,241	6,653	39,894
2019	34,226	5,668	39,894
2020	35,241	4,653	39,894
2021	36,283	3,611	39,894
2022	37,359	2,535	39,894
2023	<u>29,379</u>	<u>589</u>	<u>29,968</u>
	\$ <u>299,828</u>	\$ <u>49,292</u>	\$ <u>349,120</u>

Refunding Revenue Bonds Series 2012

2015	\$	70,000	\$	21,856	\$	91,856
2016		75,000		20,456		95,456
2017		80,000		18,956		98,956
2018		80,000		17,356		97,356
2019		85,000		16,156		101,156
2020		90,000		14,881		104,881
2021		90,000		12,969		102,969
2022		90,000		11,056		101,056
2023		95,000		9,144		104,144
2024		100,000		7,125		107,125
2025		100,000		4,750		104,750
2026		100,000		2,375		102,375
	\$	<u>1,055,000</u>	\$	<u>157,081</u>	\$	<u>1,212,081</u>

Changes in Long-Term Debt:

	Payable at 1/1/2014	Advances	Payments	Payable at 12/31/2014
KWPCRF	\$ 326,820	\$	\$ 26,992	\$ 299,828
Revenue Bonds 2006	1,020,000		1,020,000	0
Refunding Rev Bonds 2012	1,070,000		15,000	1,055,000
Go Series 2014		200,000		200,000
Go Series 2012	<u>118,000</u>	<u></u>	<u>11,000</u>	<u>107,000</u>
	<u>\$ 2,534,820</u>	<u>\$ 200,000</u>	<u>\$ 1,072,992</u>	<u>\$ 1,661,828</u>

6. LEASES

In 2007, the City entered into a long-term lease and management agreement with Shawnee County, KS for the lease and management of the new Rossville Community Swimming Pool. In exchange for an annual lease payment of \$1 to the City, the County will promote, operate and manage the pool, including but not limited to, the hiring, supervision, evaluation and compensation of a sufficient number of staff for the safe operation of the pool. The County retains all revenues related to the operation of the pool.

7. CONTRACTS

The City entered into a three year contract with Shawnee County (County) on August 26, 2013 to provide refuse service to the City. The contract is for a period of five years. The City will pay the County \$16.00 per month per residential dwelling. The City agrees to provide billing services for the normal residential services and collects the monies to be paid for such service.

8. PENSION PLAN

The City's full-time employees participate in the Kansas Public Employees Retirement System ("System"), a multiple employer public employee retirement system. The payroll for employees covered by the System for 2014 was \$237,866 and the City's total payroll for 2014 was \$292,784.

Covered employees are required by state statute to contribute 5% of their salary to the System for Tier 1 employees and 6% for Tier 2 employees. The City is required by statute to contribute 8.84% for 2014 using the full funding method, which funds current costs each year and past service liability over a 40-year period and 1% from January to December 2014 for insurance. The contribution requirement for the year ended December 31, 2014, was \$45,505, which consisted of \$14,062 from employees and \$31,442 from the City.

9. COMPENSATED ABSENCES FOR EMPLOYEES

Each employee earns vacation for the years that the employee has been employed. The employee earns one week the first year, two weeks in years two through fourteen and three weeks after fifteen years.

Each full time employee receives eight hours of sick leave each month. Sick leave is accumulated to a maximum of 720 hours.

10. DEFERRED COMPENSATION

Employees of the City may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the City. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death or unforeseeable emergency. The City is not contributing to the plan.

The deferred compensation plan is administered by an unrelated financial institution. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution until paid or made available to the employees or beneficiaries, are the property of the City subject only to the claims of the City's general creditors. In addition, the participants in the plan have rights equal to those of the general creditors of the City, and each participant's rights are equal to his or her share of the fair market value of the plan assets. The City believes that it is unlikely that plan assets will be needed to satisfy claims of general creditors that might arise. As of the report date, the plan assets amounted to \$44,836.

11. INTERFUND TRANSFERS

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General		90,000
Water		6,000
Sewer	10,000	
Capital Improvement	10,000	
Equipment Reserve	6,000	
Special Street	70,000	
	<u>\$ 96,000</u>	<u>\$ 96,000</u>

12. CONCENTRATIONS OF CREDIT RISK

The City is engaged in the sale of water, sanitation, and trash to customers located in the City of Rossville, in Shawnee County in Kansas.

13. COMPLIANCE WITH KANSAS LAW

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the Director of Accounts and Reports and interpretation by the County Attorney and legal representatives of the City. Except for the following, there were no apparent statutory violations during the year ended December 31, 2014 for the funds that were part of this audit.

The City Treasurer did not publish timely the annual financial statements for the year ended 2014 as required by KSA-12-1608. The Capital Improvement Fund had expenditures in excess of available monies in the fund which is a violation of KSA 10-1113.

14. RISK MANAGEMENT

The City has various risks including general liabilities, employees injured while working, automobile, etc. The City insures these risks through various insurance policies.

15. INFRASTRUCTURE

The City has elected not to comply with Government Accounting Standards Board 34 (GASB 34), which requires Cities to account for their infrastructure. The City does not account for their infrastructure or capital improvements and instead uses cash basis for their reporting of infrastructure and capital improvement expenditures.

16. PUBLIC BUILDING COMMISSION

In November 2006, the City established the City of Rossville, Kansas Public Building Commission (PBC) for the primary purpose of building a swimming pool. The PBC issued bonds in the amount of \$1,275,000 to fund the construction of the swimming pool. The PBC is a separate entity, and is required to maintain separate accounts, however, as of December 31, 2014 these separate accounts had not yet been established. In addition, the PBC board is required to hold an annual business meeting; no such meeting took place in 2014.

17. CONTINGENCIES

The City did not have any litigation in 2014.

18. CAPITAL PROJECT

On June 4, 2013, the City received notice from the Kansas Department of Transportation (KDOT) that their application for a Transportation Enhancement project was selected for funding. KDOT approved federal funds for the project based on the total project cost estimate of \$665,000. The federal portion of funding will be 80 percent of the actual total participating project construction and engineering costs.

19. SUBSEQUENT EVENTS

Management has evaluated subsequent events from the financial statement date through March 24, 2015, the date at which these financial statements were available to be issued, and determined there are no other items to disclose.

* * * * *

CITY OF ROSSVILLE

SCHEDULE OF EXPENDITURES - ACTUAL AND BUDGET YEAR ENDED DECEMBER 31, 2014

	<u>Expenditures</u>	<u>Adjustment for Qualifying Budget Credit</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
General Fund	\$ 624,189	\$ -	\$ 685,500	\$ 61,311
Special Revenue Funds:				
Special Highway Fund	48,730	-	53,500	4,770
Special Lighting Fund	3,000	-	3,000	-
Special Park & Recreation Fund	47,911	38,876	50,876	2,965
Enterprise Funds:				
Water Fund	197,393	-	222,500	25,107
Water Reserve Fund	31,030	-	50,000	-
Sewer Fund	153,689	10,659	174,659	20,970
Meter Deposit Fund	4,515	-	8,000	3,485
Solid Waste Fund	77,232	-	92,000	14,768
Total budgeted funds	1,187,689	\$ <u>49,535</u>	\$ <u>1,340,035</u>	\$ <u>133,377</u>
Non budgeted funds:				
Special Highway Improvement Fund	68,257			
Bond and Interest Fund	1,006,979			
Special Law Enforcement Trust Fund	5,172			
Capital Improvement Fund	162,433			
Total Reporting Entity	\$ <u>2,432,483</u>			

CITY OF ROSSVILLE

GENERAL FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET YEAR ENDED DECEMBER 31, 2014

	2013 Actual	2014 Actual	2014 Budget	Variance Favorable (Unfavorable)
CASH RECEIPTS:				
State and County Taxes	\$ 420,844	\$ 431,121	\$ 436,901	\$ (5,780)
Interest	258	194		194
Utility Franchise Taxes	45,603	45,293	40,000	5,293
Licenses and permits	2,572	2,628	2,300	328
Fines, forfeitures and penalties	126,911	104,930	105,000	(70)
Grant		1,805	1,500	305
Donation	1,250	1,645		1,645
Miscellaneous and Community Development	19,198	18,880	2,000	16,880
Total Cash Receipts	616,636	606,496	\$ 587,701	\$ 18,795
EXPENDITURES:				
General Administration	122,368	105,273	\$ 130,000	\$ 24,727
Public Safety	262,262	269,085	256,000	(13,085)
Street Lighting	15,215	17,177	16,500	(677)
Zoning	2,790	2,201	2,500	299
Park Department	41,072	33,706	26,500	(7,206)
Culture and Recreation	2,000	4,000	2,000	(2,000)
Swimming Pool	114,927	112,747	113,500	753
Capital Outlay	575	-	63,500	63,500
Transfer to Equipment Reserve			5,000	5,000
Transfer to Special Streets	20,000	70,000	70,000	
Transfer to Capital Improvement	10,000			
Transfer to Sewer		10,000		(10,000)
Total Expenditures	591,208	624,189	\$ 685,500	\$ 61,311
Receipts over (under) Expenditures	25,428	(17,693)		
Unencumbered cash, beginning balance	138,375	163,803		
Unencumbered cash, ending balance	\$ 163,803	\$ 146,110		

CITY OF ROSSVILLE

SPECIAL HIGHWAY FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

YEAR ENDED DECEMBER 31, 2014

	<u>2013 Actual</u>	<u>2014 Actual</u>	<u>2014 Budget</u>	<u>Variance Favorable (Unfavorable)</u>
CASH RECEIPTS:				
County and State taxes	\$ 51,314	\$ 52,599	\$ 51,501	\$ 1,098
Miscellaneous	<u>13,611</u>	<u>789</u>		<u>789</u>
Total Cash Receipts	64,925	53,388	\$ <u>51,501</u>	\$ <u>1,887</u>
EXPENDITURES:				
Personal Services	28,190	30,529	27,000	\$ (3,529)
Capital Outlay	11,661	385		(385)
Commodities	9,527	8,079	11,500	3,421
Contractual Services	12,629	9,737	10,000	263
Transfer			<u>5,000</u>	<u>5,000</u>
Total Expenditures	<u>62,007</u>	<u>48,730</u>	\$ <u>53,500</u>	\$ <u>4,770</u>
Receipts over (under) Expenditures	2,919	4,658		
Unencumbered cash, beginning balance	<u>6,560</u>	<u>9,477</u>		
Unencumbered cash, ending balance	\$ <u>9,477</u>	\$ <u>14,135</u>		

CITY OF ROSSVILLE

SPECIAL STREET IMPROVEMENT FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET YEAR ENDED DECEMBER 31, 2014

	2013 Actual	2014 Actual
CASH RECEIPTS:		
Transfer	\$ 20,000	\$ 70,000
Total Cash Receipts	20,000	70,000
EXPENDITURES:		
Capital Outlay	28,133	68,257
Total Expenditures	28,133	68,257
Receipts over (under) Expenditures	(8,133)	1,743
Unencumbered cash, beginning balance	22,469	14,337
Unencumbered cash, ending balance	\$ 14,337	\$ 16,080

CITY OF ROSSVILLE

SPECIAL LIGHTING FUND

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
YEAR ENDED DECEMBER 31, 2014**

	<u>2013 Actual</u>	<u>2014 Actual</u>	<u>2014 Budget</u>	<u>Variance Favorable (Unfavorable)</u>
CASH RECEIPTS:				
County and State Taxes	\$ <u>2,930</u>	\$ <u>3,109</u>	\$ <u>2,972</u>	<u>137</u>
Total Cash Receipts	<u>2,930</u>	<u>3,109</u>	<u><u>2,972</u></u>	<u><u>\$ 137</u></u>
EXPENDITURES:				
Contractual Services	<u>3,000</u>	<u>3,000</u>	\$ <u>3,000</u>	\$ <u> </u>
Total Expenditures	<u>3,000</u>	<u>3,000</u>	<u><u>\$ 3,000</u></u>	<u><u>\$ </u></u>
Receipts over (under) Expenditures	(70)	109		
Unencumbered cash, beginning balance	<u>74</u>	<u>4</u>		
Unencumbered cash, ending balance	\$ <u><u>4</u></u>	\$ <u><u>113</u></u>		

CITY OF ROSSVILLE

SPECIAL PARKS AND RECREATION FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

YEAR ENDED DECEMBER 31, 2014

	<u>2013 Actual</u>	<u>2014 Actual</u>	<u>2014 Budget</u>	<u>Variance Favorable (Unfavorable)</u>
CASH RECEIPTS:				
County and State Taxes	\$ 4,610	\$ 3,836	\$ 4,684	\$ (848)
Donation		<u>36,876</u>	<u>-</u>	<u>36,876</u>
Total Cash Receipts	4,610	40,712	<u>\$ 4,684</u>	<u>\$ 36,028</u>
EXPENDITURES:				
Capital Outlay		<u>47,911</u>	<u>\$ 12,000</u>	<u>\$ (35,911)</u>
Total Expenditures		<u>47,911</u>	<u>\$ 12,000</u>	<u>\$ (35,911)</u>
Receipts over (under) Expenditures	4,610	(7,199)		
Unencumbered cash, beginning balance	<u>4,224</u>	<u>8,834</u>		
Unencumbered cash, ending balance	<u>\$ 8,834</u>	<u>\$ 1,635</u>		

CITY OF ROSSVILLE

SPECIAL LAW ENFORCEMENT TRUST FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET YEAR ENDED DECEMBER 31, 2014

	<u>2013 Actual</u>	<u>2014 Actual</u>
CASH RECEIPTS:		
Interest	\$ 238	\$ 109
Other	3,845	1,937
Seized Money		32,000
	<hr/>	<hr/>
Total Cash Receipts	4,083	34,046
 EXPENDITURES:		
Contractual	76,779	5,172
Reimbursements		
	<hr/>	<hr/>
Total Expenditures	76,779	5,172
	<hr/>	<hr/>
Receipts over (under) Expenditures	(72,696)	28,874
Unencumbered cash, beginning balance	161,537	88,841
	<hr/>	<hr/>
Unencumbered cash, ending balance	\$ <u>88,841</u>	\$ <u>117,715</u>

CITY OF ROSSVILLE

WATER FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET YEAR ENDED DECEMBER 31, 2014

	2013 Actual	2014 Actual	2014 Budget	Variance Favorable (Unfavorable)
CASH RECEIPTS:				
Water Sales & Other	\$ 212,929	\$ 203,907	\$ 215,000	\$ (11,093)
Service Charges	4,805	3,335	5,000	(1,665)
Water Protection Fee	883	980	1,000	(20)
Interest & Misc	1,077	929	100	
Connection Fee				
Total Cash Receipts	219,694	209,150	\$ 221,100	\$ (12,779)
EXPENDITURES:				
Personnel Services	106,775	104,261	\$ 115,000	\$ 10,739
Contractual Services	28,724	41,452	25,000	(16,452)
Commodities	17,795	27,232	23,000	(4,232)
Capital Outlay	25,471	14,419	35,000	20,581
Sales Tax	1,701	2,302	2,500	198
Water Protection Fee	1,834	1,727	2,000	273
Transfer		6,000	20,000	14,000
Total Expenditures	182,299	197,393	\$ 222,500	\$ 25,106
Receipts over (under) Expenditures	37,394	11,757		
Unencumbered cash, beginning balance	3,051	40,446		
Unencumbered cash, ending balance	\$ 40,446	\$ 52,204		

CITY OF ROSSVILLE

WATER RESERVE FUND

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
YEAR ENDED DECEMBER 31, 2014**

	<u>2013 Actual</u>	<u>2014 Actual</u>	<u>2014 Budget</u>	<u>Variance Favorable (Unfavorable)</u>
CASH RECEIPTS:				
Interest	\$ -	\$ -	\$ -	\$ -
Total Cash Receipts	-	-	<u>-</u>	<u>-</u>
EXPENDITURES:				
Capital Outlay	<u>50,000</u>	<u>31,030</u>	\$ <u>50,000</u>	\$ <u>18,970</u>
Total Expenditures	<u>50,000</u>	<u>31,030</u>	\$ <u>50,000</u>	\$ <u>18,970</u>
Receipts over (under) Expenditures	\$ (50,000)	(31,030)		
Unencumbered cash, beginning balance	<u>102,307</u>	<u>52,307</u>		
Unencumbered cash, ending balance	\$ <u>52,307</u>	\$ <u>21,277</u>		

CITY OF ROSSVILLE

**METER DEPOSIT FUND
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
YEAR ENDED DECEMBER 31, 2014**

	<u>2013 Actual</u>	<u>2014 Actual</u>	<u>2014 Budget</u>	<u>Variance Favorable (Unfavorable)</u>
CASH RECEIPTS:				
Deposits	\$ <u>4,150</u>	\$ <u>3,675</u>	\$ <u>5,000</u>	\$ <u>(1,325)</u>
Total Cash Receipts	4,150	3,675	\$ <u>5,000</u>	\$ <u>(1,325)</u>
EXPENDITURES:				
Refunds	<u>2,900</u>	<u>4,515</u>	\$ <u>8,000</u>	\$ <u>3,485</u>
Total Expenditures	<u>2,900</u>	<u>4,515</u>	\$ <u>8,000</u>	\$ <u>3,485</u>
Receipts over (under) Expenditures	1,250	(840)		
Unencumbered cash, beginning balance	<u>13,950</u>	<u>15,200</u>		
Unencumbered cash, ending balance	\$ <u>15,200</u>	\$ <u>14,360</u>		

CITY OF ROSSVILLE

SEWER FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET YEAR ENDED DECEMBER 31, 2014

	2013 Actual	2014 Actual	2014 Budget	Variance Favorable (Unfavorable)
CASH RECEIPTS:				
Sewer Charges	\$ 143,544	\$ 136,979	\$ 145,000	\$ (8,021)
Interest	68			
Miscellaneous	16,873		10,000	(10,000)
Transfers		10,000		10,000
Connection Fees				
Total Cash Receipts	160,484	146,979	\$ 155,000	\$ (8,021)
EXPENDITURES:				
Personnel Services	54,346	56,902	\$ 62,000	\$ 5,098
Contractual Services	18,147	24,336	26,000	1,664
Commodities	9,186	8,601	9,000	399
Debt Service	51,727	51,342	51,341	(1)
Transfers		-		
Capital Outlay	17,158	12,508	15,659	3,151
Total Expenditures	150,564	153,689	\$ 164,000	\$ 10,311
Receipts over (under) Expenditures	9,920	(6,710)		
Unencumbered cash, beginning balance	21,765	31,685		
Unencumbered cash, ending balance	\$ 31,685	\$ 24,975		

CITY OF ROSSVILLE

SOLID WASTE FUND

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
YEAR ENDED DECEMBER 31, 2014**

	<u>2013 Actual</u>	<u>2014 Actual</u>	<u>2014 Budget</u>	<u>Variance Favorable (Unfavorable)</u>
CASH RECEIPTS:				
Solid Waste Charges	\$ <u>66,162</u>	\$ <u>79,998</u>	\$ <u>86,000</u>	\$ <u>(6,002)</u>
Total Cash Receipts	66,162	79,998	\$ <u><u>86,000</u></u>	\$ <u><u>(6,002)</u></u>
EXPENDITURES:				
Personal Services			\$ 7,000	\$ 7,000
Contractual	<u>73,000</u>	<u>77,232</u>	<u>85,000</u>	<u>7,767</u>
Total Expenditures	<u>73,000</u>	<u>77,232</u>	\$ <u><u>92,000</u></u>	\$ <u><u>14,767</u></u>
Receipts over (under) Expenditures	(6,839)	2,766		
Unencumbered cash, beginning balance	<u>15,509</u>	<u>8,670</u>		
Unencumbered cash, ending balance	\$ <u><u>8,670</u></u>	\$ <u><u>11,436</u></u>		

CITY OF ROSSVILLE

EQUIPMENT RESERVE FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET YEAR ENDED DECEMBER 31, 2014

	2013 Actual	2014 Actual
CASH RECEIPTS:		
Reimbursement	\$	\$ 1,885
Transfer		6,000
Total Cash Receipts		7,885
EXPENDITURES:		
Commodities		1,953
Total Expenditures		1,953
Receipts over (under) Expenditures		5,932
Unencumbered cash, beginning balance	2,352	2,352
Unencumbered cash, ending balance	\$ 2,352	\$ 8,284

CITY OF ROSSVILLE

CAPITAL IMPROVEMENT FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET YEAR ENDED DECEMBER 31, 2014

	2013	2014
	Actual	Actual
CASH RECEIPTS:		
Transfer	\$ 10,000	\$
Miscellaneous		210,000
Total Cash Receipts	10,000	210,000
EXPENDITURES:		
Capital outlay	195,344	162,433
Total Expenditures	195,344	162,433
Receipts over (under) Expenditures	(185,343)	47,567
Unencumbered cash, beginning balance	129,024	(56,319)
Unencumbered cash, ending balance	\$ (56,319)	\$ (8,752)

CITY OF ROSSVILLE

SPECIAL PROJECT FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET YEAR ENDED DECEMBER 31, 2014

	<u>2013</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
CASH RECEIPTS:		
Grants	\$	\$
Donations		
Total Cash Receipts		
EXPENDITURES:		
Transfer		
Contractual		
Total Expenditures		
Receipts over (under) Expenditures		
Unencumbered cash, beginning balance		
Unencumbered cash, ending balance	\$	\$

CITY OF ROSSVILLE

BOND AND INTEREST FUND

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
YEAR ENDED DECEMBER 31, 2014**

	2013 Actual	2014 Actual	2014 Budget	Variance Favorable (Unfavorable)
CASH RECEIPTS:				
Transfer	\$	\$	\$	\$
Bond Proceeds				
Total Cash Receipts			\$	\$ 1
EXPENDITURES:				
Refunding		969,823	\$	\$ (969,823)
Other	4,755			
Debt Service	37,669	37,156		(37,156)
Total Expenditures	42,424	1,006,979	\$	\$ (1,006,979)
Receipts over (under) Expenditures	(42,423)	(1,006,979)		
Unencumbered cash, beginning balance	1,049,402	1,006,979		
Unencumbered cash, ending balance	\$ 1,006,979	\$ -		

CITY OF ROSSVILLE**SCHEDULE OF STATISTICS****YEARS ENDED DECEMBER 31, 2007-2014**

	2007	2008	2009	2010	2011	2012	2013	2014
Population	1,014	1,014	1,014	1,151	1,151	1,151	1,151	1,151
Valuations	5,456,836	6,262,904	6,471,064	6,474,102	6,450,009	6,503,312	6,789,779	6,841,730
Mill Levy - Total	14.696	21.917	23.140	23.141	25.566	26.136	28.323	29.740
Net Receipts	\$1,858,131	\$984,032	\$1,083,331	1,072,384	\$1,051,957	\$2,326,527	\$1,143,673	\$1,369,438
Net Disbursements	\$2,397,862	\$1,417,040	\$1,144,578	1,104,447	\$1,013,184	\$1,191,662	\$1,427,656	\$2,336,480
Receipts Per Capita	\$1,832	\$970	\$1,068	1,058	\$914	\$2,021	\$994	\$1,190
Disbursements Per Capita	\$2,365	\$1,397	\$1,129	1,089	\$880	\$1,035	\$1,240	\$2,030
Long-Term Debt	\$2,118,324	\$1,975,375	\$1,851,385	1,721,311	\$1,580,103	\$3,713,967	\$2,534,820	\$1,661,828
Long-Term Debt Per Capita	\$2,089	\$1,948	\$1,826	1,698	\$1,373	\$3,227	\$2,202	\$1,444